

LUKE BRUGNARA

Sch 1

TAX LOSS CALCULATION

Gains from the Sale of Real Property	Date Sold	Taxable Gain						Reference
		1998	1999	2000	2001	2002	2003	
171 2nd Street, San Francisco, CA	12/23/99							Sch 2a
810-814 Mission St., San Francisco, CA	01/05/00		\$3,669,906.92	\$9,069,282.34				Sch 2b
935-939 Market St., San Francisco, CA	01/13/00			\$6,522,399.14				Sch 2c
490 Post St., San Francisco, CA	05/16/01				\$21,534,993.88			Sch 2d
3025 S. Las Vegas Blvd., Las Vegas, NV	05/01/02					\$10,850,111.41		Sch 2e
36 San Jacinto Way, San Francisco, CA	10/15/02					\$441,107.00		Sch 2f
38 San Jacinto Way, San Francisco, CA	07/03/03						\$305,689.80	Sch 2g
TOTAL GAINS FROM PROPERTY SALES		\$0.00	\$3,669,906.92	\$15,591,681.48	\$21,534,993.88	\$11,291,218.41	\$305,689.80	
Rental Income/Loss								
Rents		\$7,424,056.03	\$9,918,186.45	\$10,323,197.77	\$9,027,867.78	\$4,068,000.00	\$4,054,000.00	per return
Operating Expenses		(\$1,369,001.21)	(\$9,744,174.89)	(\$10,371,950.06)	(\$9,144,496.91)	(\$1,260,000.00)	(\$1,087,000.00)	per return
Depreciation		(\$959,126.46)	(\$1,094,413.78)	(\$1,439,668.02)	(\$1,168,014.74)	(\$798,041.82)	(\$672,384.46)	Sch 3
Debt Service Interest		(\$6,653,071.81)						per return
Interest Points per Annum		(\$4,144,800.00)	(\$8,819,800.00)	(\$8,819,800.00)	(\$7,540,000.00)	(\$7,685,000.00)	(\$5,406,000.00)	per return
NET PROFIT FROM RENTALS		(\$5,701,943.45)	(\$9,740,202.22)	(\$10,308,220.31)	(\$8,824,643.87)	(\$5,675,041.82)	(\$3,111,384.46)	
TOTAL INCOME (before Net Operating Loss)		(\$5,701,943.45)	(\$6,070,295.31)	\$5,283,461.17	\$12,710,350.01	\$5,616,176.59	(\$2,805,694.66)	
Net Operating Loss Deduction				(\$5,701,943.45)	(\$418,482.27)			
Carryover from 1998					(\$6,070,295.31)			
Carryover from 1999								
ADJUSTED GROSS INCOME		(\$5,701,943.45)	(\$6,070,295.31)	(\$418,482.27)	\$6,221,572.44	\$5,616,176.59	(\$2,805,694.66)	
Less: Standard Deduction		(\$3,550.00)	(\$3,600.00)	(\$3,675.00)	(\$3,800.00)	(\$3,925.00)	(\$4,750.00)	per return
Less: Exemption Deduction		(\$8,100.00)	(\$11,000.00)	(\$11,200.00)	\$0.00	\$0.00	(\$18,300.00)	per return
TAXABLE INCOME		(\$5,713,593.45)	(\$6,084,895.31)	(\$433,357.27)	\$6,217,772.44	\$5,612,251.59	(\$2,828,744.66)	
Regular Tax on Above		\$0.00	\$0.00	\$0.00	\$1,241,295.00	\$1,120,115.00	\$0.00	Sch 4a & 4b
Plus: Alternative Minimum Tax		\$0.00	\$0.00	\$104,907.40	\$0.00	\$447.32	\$0.00	Sch AMT-1
Less: Child Tax Credit		\$0.00	\$0.00	(\$1,000.00)	\$0.00	\$0.00	\$0.00	
Corrected Tax		\$0.00	\$0.00	\$103,907.40	\$1,241,295.00	\$1,120,562.32	\$0.00	
Tax per Returns		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	returns
Tax Loss		\$0.00	\$0.00	\$103,907.40	\$1,241,295.00	\$1,120,562.32	\$0.00	
TOTAL TAX LOSS							\$2,465,764.72	